

FINAL MEETING SUMMARY

HANFORD ADVISORY BOARD BUDGETS AND CONTRACTS COMMITTEE MEETING March 8, 2007 Richland, WA

Topics in this Meeting Summary

Welcome and Introductions	1
Fiscal Year 2007 (FY07) Budget Allocation, FY08 Budget Request and FY09 Targets...	1
Planning for April Budget Workshop	5
Committee Business.....	7
Action Items / Commitments	7
Handouts	7
Attendees.....	7

This is only a summary of issues and actions in this meeting. It may not represent the fullness of ideas discussed or opinions given, and should not be used as a substitute for actual public involvement or public comment on any particular topic unless specifically identified as such.

Welcome and Introductions

Gerry Pollet, Budgets and Contracts Committee (BCC) Chair, welcomed the committee and introductions were made. Proposed changes were incorporated into the January meeting summary and the summary was adopted.

Fiscal Year 2007 (FY07) Budget Allocation, FY08 Budget Request and FY09 Targets

Kevin Ensign, Department of Energy-Office of River Protection (DOE-ORP), presented the FY07 budget allocation, the FY08 budget request, and the FY09 budget targets for DOE-ORP. Kevin noted that Congress has not finalized the FY07 budget, and DOE is awaiting the final allocation. The FY08 budget request is the President's current budget request, and there will be opportunities to provide input on it this summer. DOE is currently beginning to develop the FY09 budget targets.

Tank farms and the Waste Treatment Plant (WTP) activities are anticipated to be fully funded for FY07 and FY08. Kevin described the work scopes.

The tank farms work scope includes:

- Completing retrieval of tank waste from six single-shell tanks (SSTs) and continuing retrieval from remaining SSTs.
- Continuing double-shell tank (DST) integrity activities (ultrasonic testing, visual examination, and physical sampling).
- Performing evaporator runs to process tank waste.

- Conducting radiological characterization for C Farm and the Tank Farm Project soils.
- Installing and monitoring performance of an interim surface barrier to control waste infiltration in T Farm.
- Completing the demonstration bulk vitrification system (DBVS) technical enhancements consistent with the Expert Review Panel recommendations.

The WTP work scope includes:

- Achieving completion of 97% design and 54% construction of the Low-Activity Waste (LAW) plant by the end of FY07, and 100% design and 70% construction by the end of FY08.
- Achieving completion of 93% design and 43% construction of the Analytical Lab facility by the end of FY07, and 100% design and 55% construction by the end of FY08.
- Completing portions of the balance of facilities.
- Certifying final seismic spectra for the High-Level Waste (HLW) facility. Construction will ramp up in the beginning of FY08.
- Completing testing to support resolution of External Flowsheet Review Team and multiple Pulse Jet Mixer overblow issues at the Pre-treatment facility, which will advance the design of the facility. Construction will ramp up in the beginning of FY08.

Kevin said DOE submitted an over-target request for FY08. The Board and public will receive more FY09 funding information during the public budget briefing in April.

Greg Jones, Department of Energy–Richland Operations Office (DOE-RL), provided an update on the status of the FY07 budget and FY08 budget request. He reiterated that DOE is awaiting final FY07 allocations, and he will let the committee know when the site receives the allocation.

Greg said DOE is beginning to formulate FY09 budget targets. He explained that the budget development timeframe and process are in flux this year. The actual FY09 budget submittal is due June 15, so there will be additional time and opportunities for DOE to gather input. DOE plans to hold some regional budget meetings to obtain public input before submitting the budget to DOE- Headquarters (DOE-HQ). The public budget meetings will include the following information:

- Budget profile for the previous three years.
- Planned accomplishments for work scope, priorities, milestones, five-year targets, and regulatory compliance projection.
- Work scope not currently funded.

The final FY09 budget request is due to the Office of Management and Budget (OMB) on September 7th, 2007.

Jeff Frey, DOE-RL, described the key budget priorities for DOE-RL for FY08, which include:

- Maintaining safe and compliant facilities and providing essential services.
- Maintaining regulatory/Tri-Party Agreement (TPA) compliance.
- Shipping plutonium off-site.

The President's FY08 budget request was sent to Congress on February 5th. Jeff said the FY08 budget provides a \$58 million increase over the projected FY07 budget for DOE-RL activities. He said this demonstrates the administration's commitment to Hanford cleanup. No overall workforce impacts are expected in FY08, but there are some compliance challenges that the TPA agencies will need to address.

Jeff described planned accomplishments and effects on baseline plans for DOE-RL project baseline summaries (PBSs) in the River Corridor and Central Plateau.

River Corridor planned accomplishments include:

- Complete sludge retrieval in K West Basin.
- Continue decommissioning and demolition (D&D) of K East Basin.
- Sludge treatment preparation.
- Initiate interim safe storage at N reactor.
- Continue waste site and burial ground remediation in the 100 and 300 areas.
- Continue D&D of 100 Area facilities.

Central Plateau planned accomplishments include:

- Continue shipment of Plutonium offsite and maintain Plutonium Finishing Plant complex facilities.
- Initiate D&D of the Z-9 crib complex.
- Continue transuranic waste (TRU) retrieval.
- Begin facility design for M-91 Remote Handled Waste Capability.
- Continue groundwater remediation activities.
- Continue characterization and analysis leading to final Central Plateau cleanup decisions.
- Maintain essential infrastructure systems.
- Maintain safeguards and security.

Jeff's presentation noted funding effects on some baseline plans:

- 300 Area D&D, some 100 Area remediation and some Central Plateau infrastructure upgrades and waste site remediation will be deferred.
- Annual treatment rates will not be met for Mixed Low-Level Waste and TRU certification.

Regulator Perspective

- Melinda Brown, Washington State Department of Ecology (Ecology), said Ecology has the same budget information as the committee. Ecology knows there is no money to accelerate tank waste retrieval, but remains concerned about slowing tank retrieval. Ecology is encouraged that full WTP funding is being restored, but they remain concerned about meeting the 2016 plutonium shipment milestone schedule. Melinda

said it was premature to discuss detailed concerns until specific information is available on the FY07 budget, FY08 budget request, and FY09 targets.

Committee Discussion

- Several committee members commented that the DOE-ORP budget summary needed more detail, including:
 - Separation of the budget estimate for FY07 and FY08 activities. Kevin said he can separate the estimates.
 - A breakdown of the \$273 million for the tank farms. It would be helpful to see specific funding for infrastructure, bulk vitrification, tank retrieval, etc. Currently there is no way to tell which activities are experiencing a funding increase or decrease.
- Pam Larsen commented that the technical reviews done last year determine that DOE-ORP does not have enough staff for appropriate oversight, and expressed concern that program direction funding is flat. Kevin said program direction funds federal support and technical support, and funding does increase according to a certain escalation. He said DOE-ORP will be addressing full time employee (FTE) levels with Congress and requesting more over-target FTEs.
- *Are the over-target requests that are part of the planned accomplishments for FY08 going to be met?* Kevin said he was unsure whether the full suite of over-target activities was incorporated into the President's Budget for FY08. He noted that the FY08 budget request continues to be worked in Congress.
- *What is the source of the FY06 carryover money, and how much is proposed to fund DBVS?* Kevin said the carry-over savings are being used for current work on DBVS. At this time, there is no funding for DBVS in the FY08 President's Budget. Gerry expressed concern that carryover funds were devoted to bulk vitrification at the expense of tank retrieval and characterization needs. If there are inadequate funds for characterization in FY07 and FY08, it will delay the Tank Closure and Waste Management Environmental Impact Statement (TC&WM EIS) process.
- *When is the "drop-dead" decision deadline to move forward with bulk vitrification as a supplemental treatment technology?* Delmar Noyes, DOE-ORP, said DOE-ORP is planning to make a final lifecycle decision by 2011 or 2012. There is no funding in FY07 and FY08 for bulk vitrification and estimates of bulk vitrification have not changed. Pam Larsen noted that "Min Safe," the minimum amount of funding necessary to keep the program safe during its lifecycle, is an important figure to know.
- *What is the status of the FY06 continuing resolution?* Kevin said the big issue for DOE-ORP in FY06 was WTP funding. Congress made the FY06 continuing

resolution a full year appropriation, which caused WTP to not receive adequate funding. However, DOE-HQ restored funding for WTP in FY07.

- *Are funding levels adequate to meet the TPA milestones listed for DOE-ORP and DOE-RL in the budget request?* Kevin was unsure but said he would take the list of milestones and determine whether they can be met given projected funding. Gerry said he would like to hear Ecology's perspective on whether there are additional milestones not listed in the budget request that should be included, as well as its assessment of DOE's ability to fund work to meet the milestones.
- *What is the funding rationale for WTP funding? Is funding for the LAW plant based on a commitment to start LAW treatment early (before 2019)?* John Treadwell, DOE-ORP, said DOE-ORP is evaluating LAW alternatives and supplemental technologies, for which there is enough funding. Erik Olds, DOE-ORP, said the decision to start LAW treatment early has not been made, but current funding supports completion of the LAW facility by 2012 along with other WTP facilities.
- *What is the status of the K Basins work scope?* Shannon Ortiz, DOE-RL, said K Basins work scope was distributed across several PBSs last year, but the work scope is included in one PBS this year.
- *Once plutonium is shipped off site, will security ("guards and guns") still be necessary?* Stacey Charboneau, DOE-RL, said there is a 2030 initiative to reduce security once plutonium material is shipped from Hanford; however, the security budget may not decrease as much as believed, due to new security requirements.
- *Where does the funding come from to pay for plutonium storage costs?* Jeff said plutonium storage costs are covered by site funding.
- *Why did Hanford do well in terms of funding, compared to other DOE sites, for FY08?* Jeff said Hanford's success in obtaining funding is largely a result of maintaining good communication with DOE-HQ throughout the budget process, as well as the perseverance of senior management. In addition, the funding justifications were compelling, impacts were understood, and cleanup priorities were aligned across all interests. A significant benefit was that the public, interest groups, and DOE field offices expressed consistent needs.
- *What cleanup funding priorities is Ecology expressing to Congress?* Melinda said she was unsure but she will find out. Jeff said DOE-RL received formal input from the Environmental Protection Agency (EPA) and Ecology on the FY08 Budget Request, and their priorities probably have not changed.

Planning for April Budget Workshop

Karen Lutz, DOE-RL, explained that EPA is unavailable for a public budget workshop on April 10. In addition, DOE would like to provide its customary briefing to the regulatory agencies before the public workshop and have a few days after the briefing to prepare for the workshop. Karen said she is trying to finalize alternative dates for the workshop. Committee members discussed April 12th or 16th as alternative dates, but Karen needs to determine whether EPA is available.

Committee members discussed additional information and material needs for the public budget meeting. The committee reviewed the following list of questions developed by Ken Niles, which are targeted at getting the right information for public meetings.

- Looking back over each of the past three years, what are the funding levels for each of the two main Hanford offices?
- Looking back over each of the past three years, what are the funding levels for major specific projects within each of the two offices (such as for ORP, Vit plant construction, tank farm operations, tank waste retrieval, bulk vitrification, infrastructure upgrades, etc. For RL, K-basin project, security, river corridor work, as well as other main, expensive projects).
- What major (expensive) projects were just completed where money may have been freed up?
- What major projects were just begun or expanded that will take major amounts of money?
- If DOE were to receive additional, unexpected funding, what new project would begin (or what existing projects would be expanded)
- If DOE funding was unexpectedly reduced, what programs would be the first to be cut?
- What disconnects - if any - are there between DOE's funding priorities and those of the regulators?
- What near-term TPA milestones are in jeopardy (within 5 years) - if any - due to lack of funding?

Committee members discussed the approach and set-up for the budget workshop. The committee generally agreed that the workshop would be broken into information sessions for each DOE Hanford field office. DOE-RL would have three information sessions: 1) River Corridor, 2) Central Plateau, and 3) groundwater. DOE-ORP would have two information sessions: 1) WTP and 2) tank farm operations. Each group would provide two-hour-long sessions. At 5:00 p.m. the workshop converts to a public meeting and comment period. Karen will take this approach to the regulatory agencies and confirm

the workshop dates with the committee by the next Executive Issues Committee (EIC) call.

Committee Business

Committee members determined no March committee call or April meeting is necessary.

Future committee meeting topics include:

- Request for proposals (RFPs) when they are complete.

Al Boldt expressed concern about public involvement in future land use planning decisions regarding the Hanford Nuclear Reservation and surrounding lands. Committee members agreed there is a need to identify different methods of getting people engaged in the discussion of future land use and end states. Committee members discussed different public involvement methods and approaches to get local residents involved. There is a U.S. Fish and Wildlife Service (USFWS) contact list the Board could use to send people information about future Hanford land use decisions. Al will bring his ideas up at the next Public Involvement and Communication Committee meeting.

Action Items / Commitments

- Greg Jones will notify the committee when DOE-RL receives the FY07 budget allocation.
- Karen will take the budget workshop approach to the regulatory agencies and confirm the workshop dates with the committee by the next EIC call.

Handouts

NOTE: Copies of meeting handouts can be obtained through the Hanford Advisory Board Administrator at (509) 942-1906, or tholm@enviroissues.com

- FY 2007, FY 2008, and FY 2009 Budget: DOE-ORP Briefing to Hanford Advisory Board Budgets and Contracts Committee, Kevin Ensign, DOE-EM, 3/8/2007.
- Fiscal Year 2008 President's Budget Rollout, Greg Jones, DOE-RL, 3/8/2007.
- Budget Rollout, Greg Jones, DOE-RL, 3/8/2007.
- "What should a budget meeting tell us?" Ken Niles, 3/8/2007.

Attendees

HAB Members and Alternates

Al Boldt	Susan Leckband	Wade Riggsbee
Earl Fordham	Ken Niles	Keith Smith

Harold Heacock	Gerry Pollet	Gene Van Liew
Pam Larsen	Maynard Plahuta	

Others

Rod Almquist, DOE-RL	Sharon Braswell, Ecology	Lynn Lefkoff, EnviroIssues
Kevin Bazzell, DOE-RL	Melinda Brown, Ecology	Jason Mulvihill-Kuntz, EnviroIssues
Stacey Charboneau, DOE-RL	Benjamin Hampton, Ecology	Jeff Frey, FH
Ellen Dagan, DOE-RL		Barb Wise, FH
Tom Fletcher, DOE-RL		
Greg Jones, DOE-RL		
Karen Lutz, DOE-RL		
Matt McCormick, DOE-RL		
Shannon Ortiz, DOE-RL		
Jim Peterson, DOE-RL		
Lisa Copeland, DOE-ORP		
Kevin Ensign, DOE-ORP		
Lori Gamache, DOE-ORP		
Cynthia Kiou, DOE-ORP		
Delmar Noyes, DOE-ORP		
Erik Olds, DOE-ORP		
John Treadwell, DOE-ORP		